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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-601]

Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, from the People's Republic of China: Final Results of the 2009-2010 Antidumping Duty Administrative Review and Rescission of Administrative Review, in Part

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: On July 13, 2011, the Department of Commerce ("Department") published the preliminary results and intent to rescind in part, of the 2009-2010 administrative review of the antidumping duty order on tapered roller bearings ("TRBs") from the People's Republic of China ("PRC"). *See Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From the People's Republic of China: Preliminary Results of the 2009-2010 Administrative Review of the Antidumping Duty Order and Intent To Rescind Administrative Review, in Part*, 76 FR 41207 (July 13, 2011) ("*Preliminary Results*"). The period of review ("POR") is June 1, 2009, through May 31, 2010.

This review covers four respondents: 1) Changshan Peer Bearing Company, Ltd. ("CPZ/SKF," also referred to as "SKF"); 2) Tainshui Hailin Import and Export Corporation ("Hailin I&E");<sup>1</sup> 3) Zhejiang Sihe Machine Co., Ltd. ("Sihe"); and (4) Xinchang Kaiyuan Automotive Bearing Co., Ltd. ("Kaiyuan").

We invited interested parties to comment on our *Preliminary Results*. Based on our analysis of the comments received, we made certain changes to our margin calculations for

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<sup>1</sup> Because the Department previously revoked the order with respect to TRBs exported by Hailin I&E that had been produced by Hailin Bearing Factory ("HB Factory") this administrative review only covers TRBs exported by Hailin I&E that were produced by any manufacturer other than HB Factory.

CPZ/SKF. The final dumping margins for this review are listed in the “Final Results Margins” section below.

EFFECTIVE DATE: [insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Frances Veith or Demitrios Kalogeropoulos, AD/CVD Operations, Office 8, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4295 or (202) 482-2623, respectively.

### Background

On July 13, 2011, the Department published its *Preliminary Results* in the antidumping duty administrative review of TRBs from the PRC. On July 26, 2011, Hailin I&E submitted its response to the Department’s post-preliminary supplemental questionnaire regarding successor-in-interest information. On August 1, 2011, CPZ/SKF submitted its response to the Department’s post-preliminary supplemental questionnaire regarding affiliation and factors of production (“FOPs”). The Timken Company (“Petitioner”) submitted post-preliminary surrogate value data on August 2, 2011. On August 12, 2011, Petitioner submitted a request for a public and closed hearings. Petitioner submitted comments regarding Hailin I&E’s response to the Department’s post-preliminary supplemental questionnaire on August 22, 2011.

On November 9, 2011, Hailin I&E submitted its case brief and on November 12, 2011, Petitioner submitted its case brief. On November 16, 2011, Petitioner, Hailin I&E, SKF, Fremont International Trading Inc., d/b/a FIT Bearings (“FIT”), and Northfield Industries LLC (“Northfield”), U.S. importers of TRBs from the PRC, each submitted a rebuttal brief. On November 22, 2011, Petitioner withdrew its request for public and closed hearings.

On November 8, 2011, the Department published an extension of time for the final results to December 12, 2011. *See Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From the People's Republic of China: Extension of Time Limit for the Final Results of the Antidumping Duty Administrative Review*, 76 FR 69241 (November 8, 2011). On December 7, 2011, the Department published a full extension of the deadline for the final results to January 9, 2012. *See Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, From the People's Republic of China: Notice of Second Extension of Time Limit for the Final Results of the Antidumping Duty Administrative Review*, 76 FR 76360 (December 7, 2011).

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs filed by parties in this review are addressed in the Memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Import Administration, regarding, "Tapered Roller Bearings from the People's Republic of China: Issues and Decision Memorandum for the Final Results of the 2009-2010 Administrative Review," dated concurrently with this notice ("Issues and Decision Memorandum"), which is hereby adopted by this notice. A list of the issues that parties raised and to which we responded in the Issues and Decision Memorandum follows as an appendix to this notice. Parties can find a complete discussion of all issues raised in this review and the corresponding recommendations in the public memorandum, which is on file electronically via Import Administration's Antidumping and Countervailing Duty Centralized Electronic Services System ("IA ACCESS"). Access to IA ACCESS is available in the Central Records Unit room 7046 of the main Commerce building. In addition, a complete version of the Decision Memorandum can be accessed directly on the Web at <http://ia.ita.doc.gov/frn>. The signed Issues and Decision

Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

#### Period of Review

The POR is June 1, 2009, through May 31, 2010.

#### Scope of the Order

Imports covered by the order are shipments of tapered roller bearings and parts thereof, finished and unfinished, from the PRC; flange, take up cartridge, and hanger units incorporating tapered roller bearings; and tapered roller housings (except pillow blocks) incorporating tapered rollers, with or without spindles, whether or not for automotive use. These products are currently classifiable under Harmonized Tariff Schedule of the United States (“HTSUS”) item numbers 8482.20.00, 8482.91.00.50, 8482.99.15, 8482.99.45, 8483.20.40, 8483.20.80, 8483.30.80, 8483.90.20, 8483.90.30, 8483.90.80, 8708.99.80.15<sup>2</sup> and 8708.99.80.80<sup>3</sup>. Although the HTSUS item numbers are provided for convenience and customs purposes, the written description of the scope of the order is dispositive.

Subsequent to the issuance of the order, we issued the following scope rulings:

On February 7, 2011, in response to an inquiry from Blackstone OTR LLC and OTR Wheel Engineering, Inc. (collectively, “Blackstone OTR”), the Department ruled that Blackstone OTR’s wheel hub assemblies are included in the scope of the order.<sup>4</sup>

On April 18, 2011, in response to an inquiry from New Trend Engineering Limited

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<sup>2</sup> Effective January 1, 2007, the HTSUS subheading 8708.99.8015 is renumbered as 8708.99.8115. *See* United States International Trade Commission (“USITC”) publication entitled, “Modifications to the Harmonized Tariff Schedule of the United States Under Section 1206 of the Omnibus Trade and Competitiveness Act of 1988,” USITC Publication 3898 (December 2006) found at <http://www.usitc.gov>.

<sup>3</sup> Effective January 1, 2007, the HTSUS subheading 8708.99.8080 is renumbered as 8708.99.8180; *see id.*

<sup>4</sup> *See* Memorandum entitled “Tapered Roller Bearings from the People’s Republic of China: Final Scope Ruling on Blackstone OTR LLC and OTR Wheel Engineering, Inc.’s Wheel Hub Assemblies and TRBs,” dated February 7, 2011.

(“New Trend”), the Department ruled that: (1) New Trend’s splined and non-splined wheel hub assemblies without antilock braking system (“ABS”) elements are included in the scope of the order; and (2) New Trend’s wheel hub assemblies with ABS elements are also included in the scope of the order.<sup>5</sup>

On June 14, 2011, in response to an inquiry from Bosda International (USA) LLC (“Bosda”), the Department ruled that Bosda’s wheel hub assemblies are included in the scope of the order.<sup>6</sup>

On August 2, 2011, in response to an inquiry from DF Machinery International, Inc. (“DF Machinery”), the Department ruled that DF Machinery’s agricultural hub units are included in the scope of the order.<sup>7</sup>

#### Successor in Interest Determination and Rescission of the Administrative Review, in Part

In the *Preliminary Results*, although we preliminarily determined Gansu Hailin Zhongke Science & Technology Co., Ltd. (“Hailin Zhongke”) to be the successor-in-interest to Hailin Bearing Factory (“HB Factory”), we stated that we intended to solicit additional information to further consider this issue. We also stated that we intended to solicit additional information to determine whether Hailin Zhongke was the sole producer of the merchandise sold by Hailin I&E to the United States during the POR.<sup>8</sup> For the final results, we continue to find that Hailin Zhongke is the successor-in-interest to HB Factory.<sup>9</sup> Additionally, because we determined that Hailin I&E had no exports to the United States during the POR of TRBs produced by any manufacturer other than HB Factory’s successor-in-interest, we are rescinding the review with

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<sup>5</sup> See Memorandum entitled, “Tapered Roller Bearings from the People’s Republic of China: Final Scope Ruling on New Trend Engineering Ltd.’s Wheel Hub Assemblies,” dated April 18, 2011.

<sup>6</sup> See Memorandum entitled “Tapered Roller Bearings from the People’s Republic of China Final Scope Determination on Bosda’s Wheel Hub Assemblies,” dated June 14, 2011.

<sup>7</sup> See Memorandum entitled “Tapered Roller Bearings and Parts Thereof, finished and Unfinished, from the People’s Republic of China- Final Scope Determination on DF Machinery’s Agricultural Hub Units,” dated August 3, 2011.

respect to Hailin I&E and any manufacturer other than HB Factory or its successor-in-interest, Hailin Zhongke. For further discussion of this issue *see* the Issues and Decision Memorandum at Comment 4.

#### Changes Since the Preliminary Results

Based on an analysis of the comments received, the Department has made certain changes to the margin calculation for CPZ/SKF. For the final results, the Department has made the following changes:

- We adjusted CPZ/SKF's steel bar consumption for all control numbers ("CONNUMs") to account for CPZ/SKF's consumption of purchased finished forged components not reported in its consumption of steel bar.<sup>10</sup>
- We made the following changes to CPZ/SKF's FOP data for merchandise which CPZ/SKF sold during the POR and which was produced by Spungen-owned Peer Bearing Company, Ltd. – Changshan ("CPZ/PBCD"). As facts available, in accordance with section 776(a)(1) of the Tariff Act of 1930, as amended (the "Act"), in our normal value calculation for CPZ/SKF: (1) we included consumption factors from CPZ/PBCD's prior period FOP database and third-country processing costs, where applicable;<sup>11</sup> (2) for those sales that did not have corresponding CPZ/PBCD prior period FOPs, we used CPZ/SKF's current period consumption factors and third-country processing costs, where applicable,

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<sup>8</sup> *See Preliminary Results*, 75 FR at 41151-52. *See also* Memorandum to Wendy Frankel, Director, AD/CVD Operations, Office 8, Import Administration, through Erin Begnal, Program Manager, AD/CVD Operations, Office 8, from Brendan Quinn, International Trade Analyst, AD/CVD Operations, Office 8, entitled "Tapered Roller Bearings from the People's Republic of China: Preliminary Successor-In-Interest Determination," dated July 7, 2010.

<sup>9</sup> *See* Issues and Decision Memorandum at Comment 4.

<sup>10</sup> *See* Issues and Decision Memorandum at Comment 1.

<sup>11</sup> *See* Petitioner's submission pertaining to SKF, dated December 17, 2010.

for those same models;<sup>12</sup> (3) we valued the CPZ/PBCD-produced FOPs using current period surrogate values; and (4) for CPZ/PBCD's inputs (*i.e.*, steel bar, spacer, and coal), we used contemporaneous Indian import data, placed on the record by Petitioner,<sup>13</sup> specifically, the harmonized tariff schedule ("HTS") subcategory 7228.30.29 (other bars and rods of other alloy steel), HTS subcategory 8482.99 (other ball or roller bearings), and HTS subcategory 2701.11 (anthracite coal), respectively.<sup>14</sup>

### Separate Rates

In the *Preliminary Results*, we found that Sihe and Kaiyuan, separate-rate respondents, demonstrated their eligibility for separate-rate status. *See Preliminary Results*, 76 FR at 41210. For the final results, we also continue to find that the evidence placed on the record of this review by Sihe and Kaiyuan demonstrates both a *de jure* and *de facto* absence of government control, with respect to their respective exports of the merchandise under review, and, thus continue to find that they are eligible for separate-rate status. *See id.* As stated in the *Preliminary Results*, CPZ/SKF reported that it is wholly foreign-owned, and therefore, consistent with the Department's practice, a further separate rate analysis was not necessary to determine whether CPZ/SKF's export activities were independent from government control, and we preliminarily granted a separate rate to CPZ/SKF.<sup>15</sup> For the final results, we continue to find that

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<sup>12</sup> See the Department's Memorandum titled, "2009-2010 Administrative Review of the Antidumping Duty Order on Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from the People's Republic of China: Analysis of the Final Results Margin Calculation for Changshan Peer Bearing Company" dated concurrently with this notice ("Analysis Memo").

<sup>13</sup> See Petitioner's surrogate value submission dated January 14, 2011; *see also* Issues and Decision Memorandum at Comment 3.

<sup>14</sup> See the Department's Memorandum titled, "Final Results of the 2009-2010 Administrative Review of the Antidumping Duty Order on Tapered Roller Bearings and Parts Thereof, Finished or Unfinished, from the People's Republic of China: Surrogate Value Memorandum" dated concurrently with this notice.

<sup>15</sup> See, *e.g.*, *Notice of Final Determination of Sales at Less Than Fair Value: Creatine Monohydrate from the People's Republic of China*, 64 FR 71104, 71104-05 (December 20, 1999) (where the respondent was wholly foreign-owned and, thus, qualified for a separate rate).

CPZ/SKF is eligible for separate rate status.

#### Margin for the Separate Rate Companies

As discussed above, the Department continues to find that Sihe and Kaiyuan have demonstrated their eligibility for a separate rate. For the exporters subject to a review that are determined to be eligible for separate rate status, but are not selected as individually examined respondents, the Department generally weight-averages the rates calculated for the individually examined respondents, excluding any rates that are zero, *de minimis*, or based entirely on facts available.<sup>16</sup> Consistent with the Department's practice, as the separate rate, we have established a margin for Sihe and Kaiyuan based on the rate we calculated for the individually examined respondent, CPZ/SKF.

#### Final Results Margins

We determine that the following weighted-average dumping margins exist for the period June 1, 2009, through May 31, 2010:

<b>TRBs from the PRC</b>	
<b>Exporters</b>	<b>Weighted-Average Percent Margin</b>
Changshan Peer Bearing Co., Ltd.	10.03 Percent
Zhejiang Sihe Machine Co., Ltd.	10.03 Percent
Xinchang Kaiyuan Automotive Bearing Co., Ltd.	10.03 Percent

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<sup>16</sup> See, e.g., *Wooden Bedroom Furniture From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review, Preliminary Results of New Shipper Review and Partial Rescission of Administrative Review*, 73 FR 8273, 8279 (February 13, 2008) (unchanged in *Wooden Bedroom Furniture from the People's Republic of China: Final Results of Antidumping Duty Administrative Review and New Shipper Review*, 73 FR 49162 (August 20, 2008)).



### Assessment Rates

Pursuant to section 751(a)(2)(A) of the Act and 19 CFR 351.212(b), the Department will determine, and U.S. Customs and Border Protection (“CBP”) shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. For assessment purposes, we calculated importer (or customer)-specific assessment rates for merchandise subject to this review. Where appropriate, we calculated an *ad valorem* rate for each importer (or customer) by dividing the total dumping margins for reviewed sales to that party by the total entered values associated with those transactions. For duty-assessment rates calculated on this basis, we will direct CBP to assess the resulting *ad valorem* rate against the entered customs values for the subject merchandise. Where appropriate, we calculated a per-unit rate for each importer (or customer) by dividing the total dumping margins for reviewed sales to that party by the total sales quantity associated with those transactions. For duty-assessment rates calculated on this basis, we will direct CBP to assess the resulting per-unit rate against the entered quantity of the subject merchandise. Where an importer (or customer)-specific assessment rate is *de minimis* (*i.e.*, less than 0.50 percent), the Department will instruct CBP to assess that importer (or customer’s) entries of subject merchandise without regard to antidumping duties, in accordance with 19 CFR 351.106(c)(2). We intend to instruct CBP to liquidate entries containing subject merchandise exported by the PRC-wide entity at the PRC-wide rate of 92.84 percent. The Department intends to issue assessment instructions to CBP 15 days after the date of publication of these final results of review.

With regard to Hailin I&E, we continue to find that Hailin Zhongke 1) is the successor-in-interest to HB Factory; and 2) was Hailin I&E’s sole supplier of TRBs sold to the United States during the POR. We will instruct CBP to liquidate Hailin I&E’s entries of subject

merchandise produced by Hailin Zhongke during the POR without regard to antidumping duties for any unliquidated entries after November 9, 2001.<sup>17</sup>

With regard to CPZ/SKF, we made a correction to the calculation of the preliminary, importer-specific assessment rate. For the *Preliminary Results* we calculated two importer-specific assessment rates for CPZ/SKF based on CPZ/SKF's U.S. sales database, which reported "Peer/SKF" and "Peer/PBCD" as distinct importers. The Department finds, however, that CPZ/SKF's sales under review were imported by a single importer.<sup>18</sup> Accordingly, the Department has corrected its assessment rate calculation to calculate one assessment rate using all of CPZ/SKF's sales during the POR.<sup>19</sup> The labels "Peer/SKF" and "Peer/PBCD" were relevant in the prior review to distinguish sales made by either CPZ/PBCD and CPZ/SKF which were separately under review as distinct respondents using the same importer, requiring the calculation of two assessment rates, one for each respondent.<sup>20</sup> In the instant review of CPZ/SKF, we find that, as in the prior review, a single assessment rate is appropriate for this respondent.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise from the PRC entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided by section 751(a)(2)(C) of the Act: (1) for CPZ/SKF, Sihe, and Kaiyuan, the cash deposit rate will be their respective rates established in the final results of this review, except if

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<sup>17</sup> See Issues and Decision Memorandum at Comment 4.

<sup>18</sup> See CPZ/SKF's supplemental Section C questionnaire response dated March 14, 2011 at SC-7.

<sup>19</sup> See Analysis Memo.

<sup>20</sup> See *Tapered Roller Bearings and Parts Thereof, Finished and Unfinished, From the People's Republic of China: Final Results of the 2008-2009 Antidumping Duty Administrative Review*, 76 FR 3086 (January 19, 2011) and accompanying issues and decision memorandum at Comment 7.

the rate is zero or *de minimis* no cash deposit will be required; (2) for previously investigated or reviewed PRC and non-PRC exporters not listed above that have separate rates, the cash deposit rate will continue to be the exporter-specific rate published for the most recent period; (3) for all PRC exporters of subject merchandise which have not been found to be entitled to a separate rate, the cash deposit rate will be the PRC-wide rate of 92.84 percent; and (4) for all non-PRC exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the PRC exporters that supplied that non-PRC exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice also serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of the antidumping duties occurred and the subsequent assessment of double antidumping duties.

#### Notification to Interested Parties

This notice also serves as a reminder to parties subject to administrative protective order ("APO") of their responsibility concerning the return or destruction of proprietary information disclosed under the APO in accordance with 19 CFR 351.305(a)(3), which continues to govern business proprietary information in this segment of the proceeding. Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

We are issuing and publishing the final results and notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

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Paul Piquado  
Assistant Secretary  
for Import Administration

\_\_\_\_ January 9, 2012 \_\_\_\_  
Date

## Appendix I

- Comment 1: Whether CPZ/SKF Accurately Reported its Steel Bar Consumption
- Comment 2: Whether CPZ/SKF Accurately Reported its ME Purchases
- Comment 3: Whether to Use Prior Period FOPs When Valuing Certain of CPZ/SKF's Sales
- Comment 4: Whether Hailin I&E's Producer, Hailin Zhongke, is the Successor-in Interest to HB Factory
- Comment 5: Whether to Reinstate the Order With Respect to Hailin I&E
- Comment 6: Whether to Modify Hailin I&E's Liquidation Instructions
- Comment 7: Whether the Department Incorrectly Merged Databases

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